

Stark County Government

Popular Annual Financial Report

for the year ended December 31, 2004



**Issued by Kim R. Perez
Stark County Auditor**

<http://www.co.stark.oh.us>

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

STARK COUNTY, OHIO

For the fiscal year ending
December 31, 2003



Nancy L. Zielke
President
Jeffrey L. Essler
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Stark County, Ohio for its Popular Annual Financial Report for the year ended December 31, 2003. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

The picture on the front cover is of Westbrook Park Veterans Memorial Park. The memorial was designed by Gary Jervis, the architect for the project was John Patrick Picard, and it was dedicated November 1998. The memorial is dedicated to those who have served, those who are serving and to those who will serve. There are memorials in the park to the Army, Navy, Air Force, Marines, and Coast Guard. The bricks lining the memorial are inscribed with names of service people, the branch served in and date of service. Photograph supplied by Tim Smith of Stark County Information Technology center.

Citizens of Stark County

June 2005



Kim R. Perez
Stark County Auditor

I am pleased to present the Stark County Popular Annual Financial Report (PAFR) for the year ended December 31, 2004. The report provides a brief analysis of where county revenues come from and where those dollars are spent, as well as an overview of trends in the local economy. Above all, it is designed to present a financial report that is easy to understand.

The PAFR, which has been generated internally by the Stark County Auditor's Office, summarizes the financial activities of the primary government of Stark County (County) and was drawn from the financial information appearing in the 2004 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the Auditor of State of Ohio, receiving an unqualified opinion. The PAFR, however, is unaudited and is presented on a non-GAAP basis. The major differences between GAAP and non-GAAP reporting deals with not including component units and in the presentation of segregated funds, as well as full disclosure of all material financial and nonfinancial events in notes to the financial statements. The statements presented within this report contain all funds used by the County to account for the financial activities of the primary government. Individuals who desire to review GAAP basis, full disclosure financial statements should refer to the County's CAFR, which is available from the County Auditor's office or visit the County website at <http://www.co.stark.oh.us>.

The Popular Annual Financial Report of Stark County is presented as a means of increasing public confidence in the County's government and elected officials through easier, more user friendly financial reporting. As you review our Popular Annual Financial Report, I invite you to share any questions, concerns, or recommendations you may have.

Sincerely,

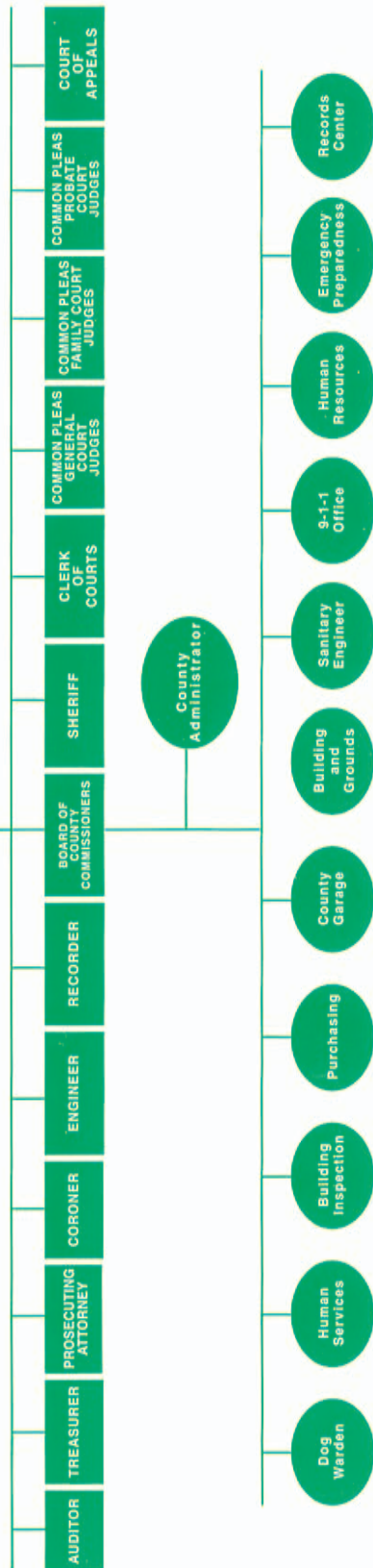
A handwritten signature in cursive script that reads "Kim R. Perez".

Kim R. Perez
Stark County Auditor

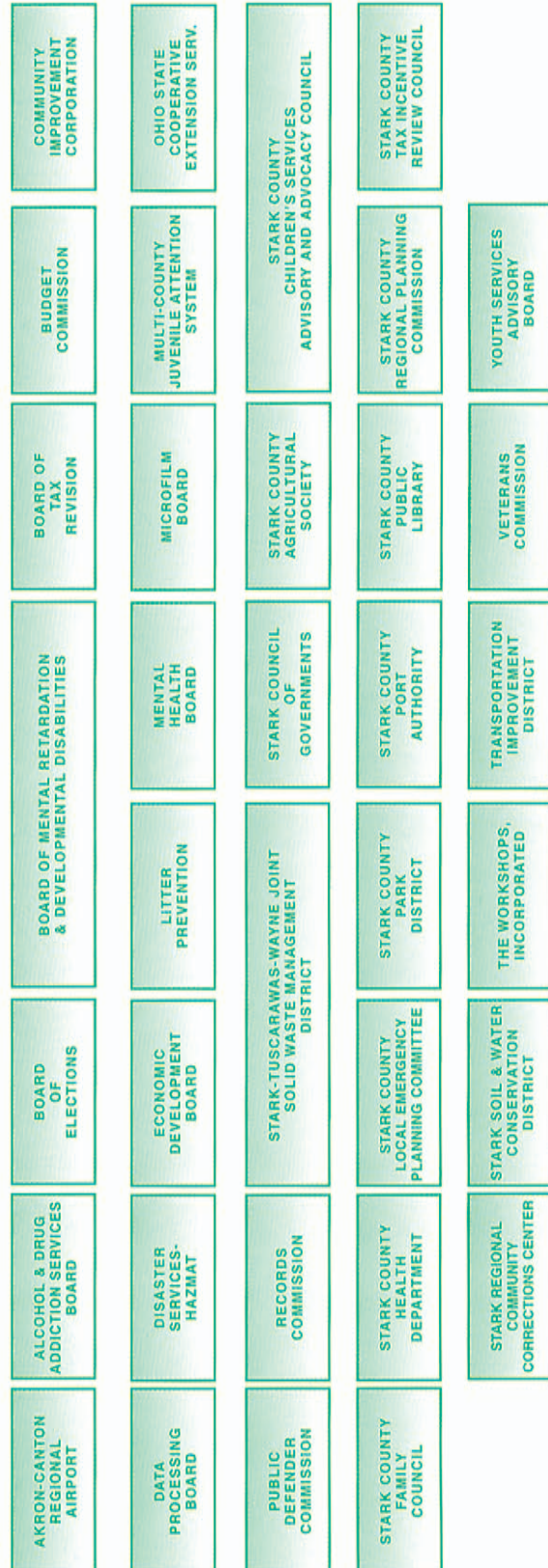


Stark County Government Organizational Chart

VOTERS OF STARK COUNTY



Appointed Board and Commissions; Statutory Boards and Commissions; or County provides space or gives financial support:



County Property Taxes

The following table provides the amount of taxes on an owner occupied home with a market value of \$100,000. The full tax rate appearing in the table includes both inside (not voted) and voted levies for all subdivisions within the taxing district. The effective tax rate is the tax rate actually applied in calculating your tax liability. The effective tax rate is determined by the State Department of Taxation each year. In essence, the effective rate ensures that an individual's tax liability does not increase on voted levies as a result of appreciation in value due to economic conditions. The tax on a home with a \$100,000 value is a relatively simple calculation: take the \$100,000 appraised value times 35% to get the assessed value; then multiply the assessed value by the effective tax rate. This is the gross tax due. This gross tax is then reduced by 12 1/2% rate which is the amount the state pays on behalf of each individual homeowner who resides in that home under the state rollback programs currently in effect.

TAXING DISTRICT	NUMBER AND NAME	FULL TAX RATE	EFFECTIVE TAX RATE	TAX ON \$100,000 HOME	TAXING DISTRICT	NUMBER AND NAME	FULL TAX RATE	EFFECTIVE TAX RATE	TAX ON \$100,000 HOME
1	ALLIANCE CITY-ALLIANCE CSD	77.50	45.677887	\$1,398.89	44	PERRY TOWNSHIP-FAIRLESS LSD	76.35	53.402208	\$1,635.44
2	CANTON CITY-CANTON CSD	83.50	47.935665	\$1,468.03	45	PERRY TOWNSHIP-JACKSON LSD	71.75	50.003776	\$1,531.37
3	CANTON CITY-PLAIN LSD	73.60	41.029794	\$1,256.54	46	PERRY TOWNSHIP-MASSILLON CSD	72.85	54.641299	\$1,673.39
4	CANTON CITY-CANTON LSD	62.80	36.248578	\$1,110.11	47	PERRY TOWNSHIP-TUSLAU LSD	84.95	44.803775	\$1,372.12
5	MASSILLON CITY-TUSLAU LSD	78.40	40.125522	\$1,228.84	48	PIKE TOWNSHIP-SANDY VALLEY LSD	67.00	41.989682	\$1,285.93
6	MASSILLON CITY-MASSILLON CSD	67.80	51.463046	\$1,576.06	49	PIKE TOWNSHIP-CANTON LSD	69.30	39.744045	\$1,217.16
7	MASSILLON CITY-PERRY LSD	64.30	45.625533	\$1,397.28	50	PIKE TOWNSHIP-TUSCARAWAS VALLEY LSD	62.90	48.296495	\$1,479.08
8	MASSILLON CITY-JACKSON LSD	65.00	45.125523	\$1,381.97	51	PIKE TOWNSHIP-EAST SPARTA VILLAGE-SANDY VALLEY LSD	80.90	53.960246	\$1,652.53
9	MASSILLON CITY-FAIRLESS LSD	70.80	49.723955	\$1,522.80	52	PLAIN TOWNSHIP-PLAIN LSD	82.25	49.228490	\$1,507.62
10	BETHLEHEM TOWNSHIP-FAIRLESS LSD	73.60	52.005188	\$1,592.66	53	PLAIN TOWNSHIP-CANTON LSD	70.85	43.847274	\$1,342.82
11	BETHLEHEM TOWNSHIP-TUSCARAWAS VALLEY LSD	59.80	47.606757	\$1,457.96	54	PLAIN TOWNSHIP-JACKSON LSD	73.65	53.399723	\$1,635.37
12	BETHLEHEM TOWNSHIP-NAVARRE VILLAGE-FAIRLESS LSD	68.80	48.298736	\$1,479.15	55	PLAIN TOWNSHIP-NORTH CANTON CSD	89.95	49.071142	\$1,502.80
13	CANTON TOWNSHIP-CANTON LSD	67.30	40.367108	\$1,236.24	56	PLAIN TOWNSHIP-NORTH CANTON CITY-NORTH CANTON CSD	84.30	41.856491	\$1,281.86
14	CANTON TOWNSHIP-CANTON CSD	88.20	51.764652	\$1,585.29	57	PLAIN TOWNSHIP-NORTH CANTON CITY-JACKSON LSD	67.50	45.685072	\$1,399.11
15	CANTON TOWNSHIP-MEYERS LAKE VILLAGE-CANTON CSD	889.00	52.564652	\$1,609.79	58	PLAIN TOWNSHIP-NORTH CANTON CITY-PLAIN LSD	76.10	41.513839	\$1,271.36
16	JACKSON TOWNSHIP-JACKSON LSD	77.75	52.851824	\$1,618.59	59	PLAIN TOWNSHIP-CANTON CSD	91.75	55.244818	\$1,691.87
17	JACKSON TOWNSHIP-PLAIN LSD	86.35	48.680591	\$1,490.84	60	PLAIN TOWNSHIP-MEYERS LAKE VILLAGE-CANTON CSD	83.00	47.435665	\$1,452.72
18	JACKSON TOWNSHIP-HILLS & DALES VILLAGE-PLAIN LSD	97.00	59.871597	\$1,833.57	61	SANDY TOWNSHIP-SANDY VALLEY LSD	63.70	41.552748	\$1,272.55
19	LAKE TOWNSHIP-LAKE LSD	83.60	46.071404	\$1,410.94	62	SANDY TOWNSHIP-CANTON LSD	66.00	39.307111	\$1,203.78
20	LAKE TOWNSHIP-NORTH CANTON CSD	88.30	45.472324	\$1,392.59	63	SANDY TOWNSHIP-OSNABURG LSD	77.00	42.160434	\$1,291.16
21	LAKE TOWNSHIP-PLAIN LSD	80.60	45.629672	\$1,397.41	64	SANDY TOWNSHIP-BROWN LSD	59.40	41.982518	\$1,285.71
22	LAKE TOWNSHIP-UNIONTOWN POLICE DISTRICT-LAKE LSD	91.60	50.400929	\$1,543.53	65	SANDY TOWNSHIP-MAGNOLIA VILLAGE-SANDY VALLEY LSD	80.40	53.167185	\$1,628.25
23	LAKE TOWNSHIP-HARTVILLE VILLAGE-LAKE LSD	80.85	45.416613	\$1,390.88	66	SANDY TOWNSHIP-WAYNESBURG VILLAGE-SANDY VALLEY LSD	82.90	56.905046	\$1,742.72
24	LAWRENCE TOWNSHIP-TUSLAU LSD	89.00	48.130124	\$1,473.99	67	SUGARCREEK TOWNSHIP-FAIRLESS LSD	75.30	51.946642	\$1,590.87
25	LAWRENCE TOWNSHIP-JACKSON LSD	75.80	53.330125	\$1,633.24	68	SUGARCREEK TOWNSHIP-SOUTHEAST LSD	70.90	42.890562	\$1,313.52
26	LAWRENCE TOWNSHIP-NORTHWEST LSD	88.00	54.264487	\$1,661.85	69	SUGARCREEK TOWNSHIP-BEACH CITY VILLAGE-FAIRLESS LSD	78.80	56.473204	\$1,729.49
27	LAWRENCE TOWNSHIP-CANAL FULTON VILLAGE-NORTHWEST LSD	79.30	48.234714	\$1,477.19	70	SUGARCREEK TOWNSHIP-BREWSTER VILLAGE-FAIRLESS LSD	72.80	49.986764	\$1,530.84
28	LEXINGTON TOWNSHIP-MARLINGTON LSD	79.00	44.182454	\$1,353.09	71	SUGARCREEK TOWNSHIP-WILMOT VILLAGE-FAIRLESS LSD	69.80	49.289002	\$1,509.48
29	LEXINGTON TOWNSHIP-ALLIANCE CSD	83.60	50.001180	\$1,531.29	72	TUSCARAWAS TOWNSHIP-TUSLAU LSD	80.90	41.848776	\$1,281.62
30	LEXINGTON TOWNSHIP-LIMAVILLE VILLAGE-MARLINGTON LSD	82.00	47.366968	\$1,450.61	73	TUSCARAWAS TOWNSHIP-FAIRLESS LSD	72.30	50.447209	\$1,544.95
31	MARLBORO TOWNSHIP-MARLINGTON LSD	78.15	44.300672	\$1,356.71	74	TUSCARAWAS TOWNSHIP-MASSILLON CSD	68.80	51.686300	\$1,582.89
32	MARLBORO TOWNSHIP-LAKE LSD	82.85	47.402580	\$1,451.70	75	WASHINGTON TOWNSHIP-MARLINGTON LSD	73.90	40.362434	\$1,236.10
33	NIMISHILLEN TOWNSHIP-LOUISVILLE CSD	77.50	45.510058	\$1,393.75	76	WASHINGTON TOWNSHIP-ALLIANCE CSD	78.50	46.181160	\$1,414.30
34	NIMISHILLEN TOWNSHIP-MARLINGTON LSD	76.90	43.463015	\$1,331.05	77	ALLIANCE CITY-MARLINGTON LSD	70.90	37.859161	\$1,159.44
35	NIMISHILLEN TOWNSHIP-PLAIN LSD	78.60	46.123191	\$1,412.52	78	PARIS TOWNSHIP-BROWN LSD	58.70	40.983150	\$1,255.11
36	LOUISVILLE CITY-LOUISVILLE CSD	72.30	40.706204	\$1,246.63	79	WASHINGTON TOWNSHIP-LOUISVILLE CSD	74.50	47.409477	\$1,298.79
37	OSNABURG TOWNSHIP-OSNABURG LSD	78.10	43.369576	\$1,328.19	80	WASHINGTON TOWNSHIP-MINERVA LSD	64.00	47.503589	\$1,454.80
38	OSNABURG TOWNSHIP-CANTON LSD	67.10	40.516253	\$1,240.81	81	PERRY TOWNSHIP-NAVARRE VILLAGE-PERRY LSD	70.45	49.913520	\$1,528.60
39	OSNABURG TOWNSHIP-MINERVA LSD	66.90	50.378448	\$1,542.84	82	CANTON CITY-LOUISVILLE CSD	73.30	41.216661	\$1,262.26
40	OSNABURG TOWNSHIP-EAST CANTON VILLAGE-OSNABURG LSD	78.40	43.669576	\$1,337.38	83	CANTON TOWNSHIP-CANTON CITY-CANTON LSD	68.30	40.877565	\$1,251.88
41	PARIS TOWNSHIP-MINERVA LSD	65.10	48.169938	\$1,475.20	84	PLAIN TOWNSHIP-CANTON CITY-PLAIN LSD	73.60	41.029794	\$1,256.54
42	PARIS TOWNSHIP-MINERVA VILLAGE LSD	67.30	49.048726	\$1,502.12	85	WASHINGTON TOWNSHIP-ALLIANCE CITY-MARLINGTON LSD	73.90	40.362434	\$1,236.10
43	PERRY TOWNSHIP-PERRY LSD	71.45	50.903786	\$1,558.93	86	PLAIN TOWNSHIP-CANTON CITY-CANTON CSD	83.50	47.935665	\$1,468.03

Auditor's Office

Fiscal Services (Finance and Payroll)

The Stark County Auditor is the chief fiscal officer of the County. It is the auditor's responsibility to perform the following functions:

- Account for revenues received each year by the County.
- Issue warrants (checks) in payment of all County obligations, including the distribution of tax dollars to the townships, villages, cities, school districts and library systems, as well as other County agencies.
- Serve as the paymaster for all County employees.
- Administer and distribute motor vehicle license fees, gasoline taxes, estate taxes, fines and local government funds, in addition to real estate, personal property and manufactured home taxes.
- As required by law, prepare and produce the County's annual financial report. Stark County prepares a Comprehensive Annual Financial Report (CAFR) and a Popular Annual Financial Report (PAFR).

Real Estate Taxes and Rates

Under Ohio law, the county auditor cannot raise or lower property taxes. Tax rates are determined by the budgetary requests of each governmental unit, as authorized by vote of the people, and are computed in strict accordance with procedures required by the Division of Tax Equalization, Ohio Department of Taxation. Annually, the auditor prepares the general tax list. Your tax bill is based on the tax rate multiplied by your valuation on this tax list. This is your proportional share of the cost of operating your local government including cities, villages, townships, schools and the County. Ohio law limits the amount of taxation without a vote of the people to what is known as the "10 mill limitation" (\$10.00 per \$1,000 of assessed valuation). County residents must vote any additional real estate taxes for any purpose. Your "tax rate" is an accumulation of all these levies and bond issues.

Real Estate Appraisal and Assessment

Stark County has more than 195,000 separate parcels of real estate property. It is the duty of the auditor to see that every parcel of land and the buildings thereon are fairly and uniformly appraised and assessed for tax purposes. Ohio law mandates a general reappraisal every six years with an update at the three year midpoint. The office maintains a detailed record of the appraisal on each parcel in the County. These records are open for public inspection. For taxation purposes, owners are assessed at 35 percent of fair market value.

Real Estate Conveyance and CAUV

This department is in charge of transferring all real estate that changes ownership in the County and collecting fees on this activity. They maintain all ownership records, acreage changes, real estate splits and provide information for maintaining tax plat maps. The auditor is also in charge of administering the Current Agricultural Use Value (CAUV) program that allows farmland to be taxed at its value for that use. Agricultural districts and forest certification are other responsibilities of this department.

Personal Property Tax

The county auditor, as an agent for the Ohio Department of Taxation, is responsible for administering the tangible personal property tax laws. Generally speaking, anyone in business in Ohio is subject to tangible personal property tax on equipment, furniture, fixtures and inventory used in business. The tangible personal property tax is distributed back to the local taxing districts in the same manner as real estate taxes.

Licensing

The auditor's office is the focal point in the County for issuance of licenses for dogs, vendors and cigarette sales. Stark County annually issues more than 50,000 dog licenses. Vendor licenses authorize businesses to sell tangible property to the public and collect sales tax, a part of which is returned for use at the local level.

Manufactured Housing

There are 50 manufactured home communities currently operating in the County. Stark County has one of the largest populations of manufactured homes in the state of Ohio. Under Ohio law, it is the responsibility of owners of manufactured homes to register their homes with the county auditor for tax purposes. Annually, the auditor's office assesses each manufactured home and prepares a tax list. Tax bills are sent to each owner semiannually. The manufactured home tax is distributed back to the local taxing districts in the same manner as real estate taxes.

Weights and Measures

The Department of Weights and Measures plays a vital role in our everyday lives. Our economy is essentially based on the monetary value placed on goods and services bought, sold and traded daily. That monetary value is ultimately determined by an accurate system of weights and measures. Each year the auditor's office inspects and certifies more than 5,200 devices in over 600 locations throughout the County. Weights and Measures, as defined by Ohio law, means all weights and measures of every kind, instruments and devices for weighing and measuring, and any appliances and accessories associated with any such instruments and devices, except that the term shall not be construed to include meters for the measurement of electricity, gas, or water when the same are operated as public utility system. The county auditor is required by Ohio law to inspect all commercial devices used in retail trade for weighing or measuring. This includes checking gas pumps, price scanners, meat and produce/truck scales.



Stark County Information Technology Services

The auditor is responsible for the management of the County Information Technology Center and serves as the Chief Administrator of the Data Processing Board. Changes in computer systems and planning must be approved by the board to automate various County functions. Improving financial and recordkeeping systems of the County will improve services, reduce costs and provide County officials with a modern management tool to better administer the business of government. The Stark County Information Technology Division supports all aspects of computing for government offices in the County. Some of these services include programming, personal computer hardware and soft-ware support, consultation, management, logistical support and network services. Information Services supports over 1000 nodes in the County computer network. A node is an active networked computer connection such as a personal computer, terminal, printer, server, switch, router, or other networked devices.

Additional Duties of the Auditor

Secretary of the Budget Commission
Secretary of the Board of Revision
Tax Incentive Review Council Records

Development & Trends

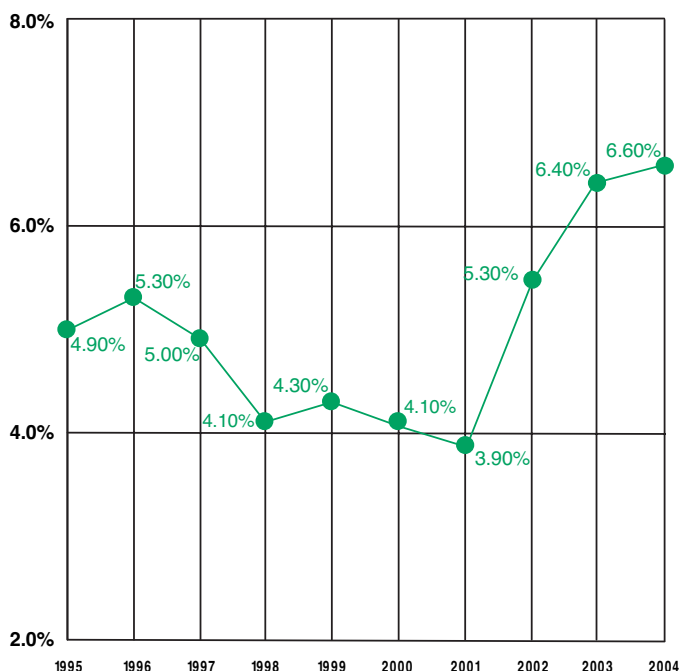
The County, which is located in the Northeastern section of Ohio, was established in 1808 and covers an area of 567 square miles and includes 17 townships, 13 villages, and 6 cities, the largest of which is the City of Canton, the County Seat, and the eighth largest city in the State. It is strategically located in proximity to all modes of transportation including truck, railroad, and air. Because of this, many businesses have chosen to make Stark County their home.

The Canton/Stark County area offers many of the amenities and activities of a big city, with the advantages of small-city living. The area's low cost of living makes it an appealing place for businesses and employees. As a matter of fact, many people who work outside of the county are settling here because of the quality schools, economical prices, and abundant housing. In fact, the area's low prices and steady growth has led Stark County to claim a spot among the top five in the region for home price appreciation. The area is also in the top third of metropolitan areas nationwide, according to ratings received for its facilities (health care, education, recreation, transportation, and the arts), and indicators (crime, costs of living and jobs).

Interstate 77 links Stark County with the national interstate highway network, providing easy access to all the major markets in the United States and Canada. In addition, freight and passenger services are readily available through three major carriers and a regional airport which provides commercial air service for nationwide travel, including direct flights to Chicago and Washington D.C. Neomodal, an ultramodern 28 acre rail/highway transfer facility, located in the county, transports products consistently and efficiently to both domestic and international locations. Neomodal provides convenient 24 hours access to Stark's three railroads.

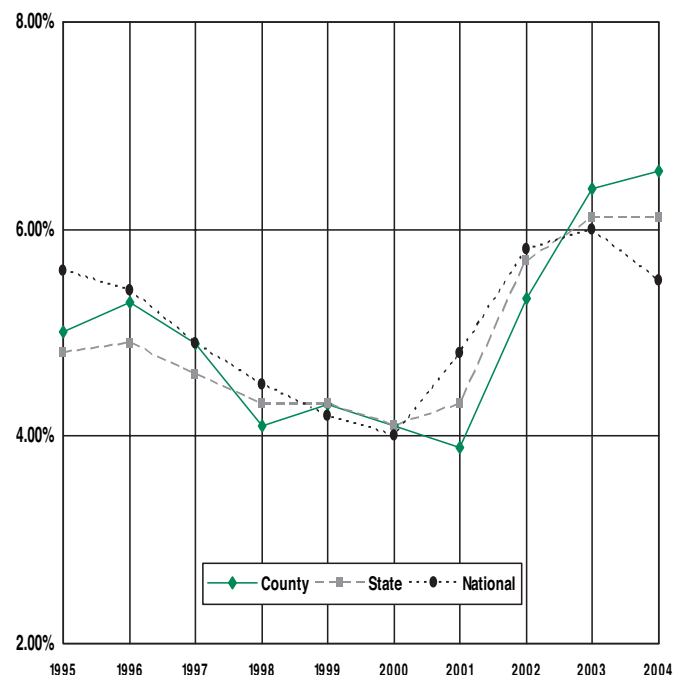
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Average Unemployment Percentage Rates



*Source: U.S. Department of Labor,
Bureau of Labor Statistics*

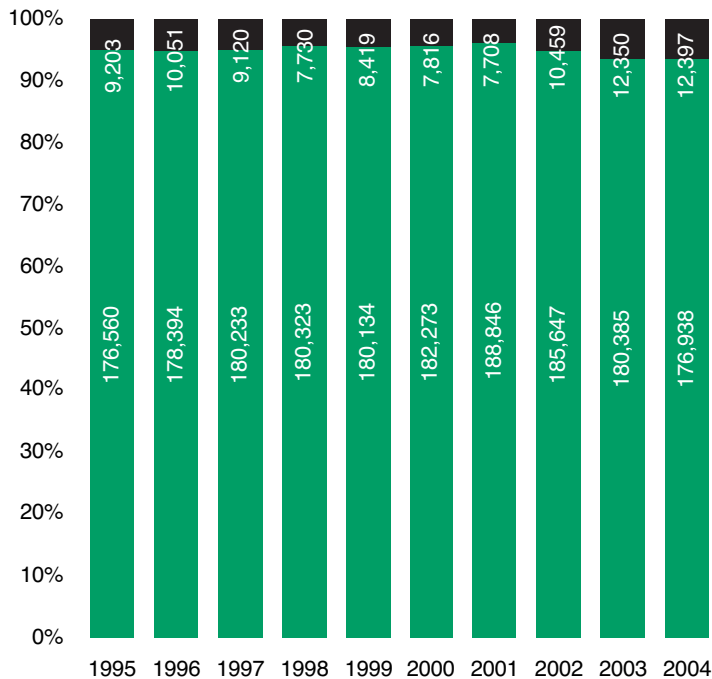
National, State & County Average Unemployment Rates



*Source: U.S. Department of Labor,
Bureau of Labor Statistics*

Development & Trends

Employed vs. Unemployed



Source: U.S. Department of Labor,
Bureau of Labor Statistics

Top Ten Employers Stark County Ohio

Largest Employers	Employees
The Timken Company	4,771
Aultman Health Foundation	4,680
County of Stark	2,942
Mercy Medical Center	2,534
Maytag Corporation	1,713
(Hoover Company Operations)	
Canton City Board of Education	1,600
Workshops, Inc.	1,041
GE Capital	1,034
Fisher Foods Marketing, Inc.	906
Freshmark, Inc.	865

Source: Stark County Development Board,
Ohio Department of Development, Employers

Continued from page 6

Stark County's economy, fueled by a strong labor force and the development of new and existing business, has experienced healthy growth and expansion. According to the Business Outlook Survey and other economic indicators, the economy in the Stark County area will continue to prosper.

The increasing emphasis of the local economy on the non-manufacturing sector is reflected in the growing list of major employers. Several manufacturing companies remain among the largest employers, but now there are also numerous large service industry employers in the County.

A major asset of the Stark County area is its labor force committed to high quality and productivity. Stark County has been a successful location for business since the mid-nineteenth century. The area has produced generations of well-educated and diverse workers which reflect the broad base of the areas' economic mix.

Stark County has a rich tradition in education, offering educational opportunities to fit every need. The County area is home to 17 public school districts, educating over 65,000 students each year. There are also 29 parochial and private schools in the area. All high schools in the Stark County area offer vocational and college prep tracks.

Beginning in the mid-1990's, Stark County's relative wealth measured by the Woods and Poole Wealth Index increased steadily from 91.50 to 93.75. Projections beyond the year 2005 show more rapid growth in wealth in Stark County than in the United States.

Striving for Continuous Improvement

Current Projects

The Engineer's Office completed many road and bridge projects during 2004. Major projects completed during the year were the Portage & Whipple project and the Portage Street Phase I project. These are two portions of the Portage Street Corridor Project and totaled over \$3 million. Also, the Faircrest & Dueber project was completed at a cost of approximately \$1.3 million. Additionally, over thirty miles of road resurfacing was done throughout the county.

The Stark County Treasurer's Office issued a new tax bill in 2004 which gives more useful information to the taxpayer. The tax bill is in a larger more readable format which makes it easier to understand for the taxpayer. All property owners receive a bill even the property owners who have their taxes paid by banking institution will receive a bill for information purposes only.

In 2004 bids were awarded and ground was broken for the Stark County Jail's new Receiving and Reception Housing Units. This project has a total budget of approximately \$17 million and is expected to be completed in May 2006. This project will replace and greatly enhance the existing receiving area. In addition, the project will increase the existing jail capacity by 122 beds.

Also, the project includes upgrades to the existing electrical, fire alarm, and closed-circuit television systems. A new secure underground parking area for the fleet vehicles will be added. Video visitation will be implemented in order to reduce the movement of inmates and thus potential problems. Lastly, a separate entrance to the lobby will be constructed.

Assessed Taxable Property Values

Years	Real Estate	Personal Property
2004	\$6,284,976,650	\$700,357,757
2003	5,637,815,270	733,462,000
2002	5,541,482,220	849,140,358
2001	5,547,366,130	895,970,175
2000	4,820,149,680	830,240,358
1999	4,751,307,780	829,547,997
1998	4,619,118,500	795,593,469
1997	3,982,966,770	756,978,265
1996	3,886,204,910	711,869,370
1995	3,853,504,660	677,088,809

Property Tax Collections

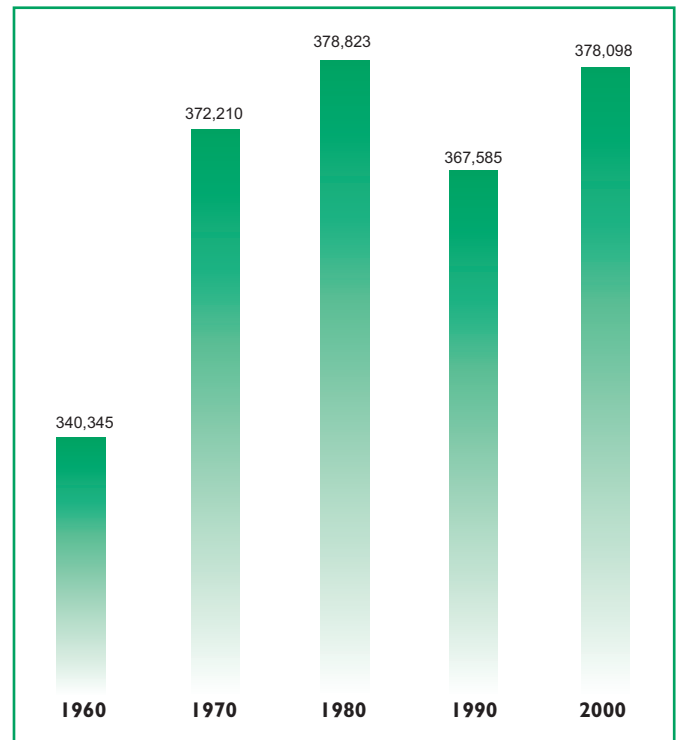


Striving for Continuous Improvement

Principal Property Tax Payers

Taxpayers	Assessed Valuation
Timken Company	\$136,467,740
Ohio Power	105,137,040
Ohio Bell Telephone	58,266,470
Maytag Corporation (Hoover Company Operations)	37,041,890
Ohio Edison	31,643,940
Aqua Ohio Inc	25,384,790
East Ohio Gas	19,989,540
Stark Commons Ltd	18,302,050
Marathon Ashland Petroleum LLC	15,027,840
HJ Heinz Company LP	11,447,980

Population



For the Future

Stark County has a population of over 378,000 ranking it in the top 5% in largest U.S. Counties. Associated with that is its large land mass that accounts for over 195,000 pieces (parcels) of property. Currently, the County uses antiquated mainframe COBOL software for our mass appraisal, tax assessment, and payroll systems which is extremely inefficient and costly to maintain. This system is technology deficient limiting the ability to access information in a timely manner while requiring a vast amount of resources to perform its rather limited functions.

The Auditor, through the Informational Technology (IT) Center, will be the catalyst in providing the County with an updated, efficient, computer software system that will provide the County with more accurate reporting and accountability while reducing costs. This new system will drastically lower expenditures by eliminating leasing/maintenance (mainframe) costs, alleviate duplication and personnel costs, while providing a platform that is conducive to best practices in information sharing among governmental agencies. The system will also include a Geographic Information Systems (GIS) component to provide a variety of mapping capabilities that are not available with the current system.

Finally, this technology advanced system will be the backbone in providing Stark County with a cost effective alternative to an outmoded system by driving down costs for governmental agencies and insuring the most efficient use of our limited resources.

Financial Activity Statement

Summary

The Financial Activity Statement, known in accounting terms as the "Income Statement", is designed to provide record of the money received and spent during the year. Explanations of specific Resources and Services are shown in the following pages.

The statement is presented on a non-GAAP basis. Copies of GAAP basis reports can be found in the County's Comprehensive Annual Financial Report and can be obtained from the Stark County Auditor's Office.

Stark County 2004 Financial Activity Statement

Resources Taken In

	2003	2004
Taxes	\$47,270,000	\$66,852,000
Charges for Services	23,757,000	24,809,000
Licenses & Permits	73,000	96,000
Fines & Forfeitures	881,000	944,000
Intergovernmental Revenue	125,044,000	131,346,000
Special Assessments	442,000	443,000
Water & Sewer Revenues	23,530,000	27,339
Health Ins./Workers' Comp Revenue	6,203,000	10,227,000
Investment Income	1,979,000	2,051,000
Other	4,782,000	7,598,000
Total Revenue & Resources	\$233,961,000	\$271,705,000

Services Provided

Legislative & Executive	\$16,802,000	17,413,000
Judicial	12,573,000	14,332,000
Public Safety	19,433,000	27,332,000
Public Works	16,496,000	20,276,000
Health	65,889,000	70,383,000
Human Services	64,615,000	61,232,000
Capital Outlay	5,961,000	5,566,000
Intergovernmental	8,767,000	10,522,000
Debt Service	2,408,000	2,316,000
Water & Sewer Expenses	14,729,000	16,347,000
Health Ins./Workers' Comp Expenses	10,050,000	10,024,000
Other Expenses	1,016,000	1,113,000
Total Expenditure & Services	\$238,739,000	\$256,856,000

Revenues & Resources Over (Under) Expenditures & Services	(\$4,778,000)	\$14,849,000
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Note 1: Taxes increased due to an additional levy collected for the Board of MRDD. Also, 2004 was the first full year of sales tax collections.

Note 2: Health/Ins. Workers' Comp Revenue increased due to an increase in the amounts charged to county departments for health insurance.

Note 3: Public safety increased due to the reemployment of employees laid-off in 2003 due to budget constraints. Also, grant monies were used on a \$5 million radio tower upgrade project at the sheriff's office.

Note 4: Public works increase mostly due to additional spending on road and bridge projects.

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Resources Taken In

Resources taken in are the amounts which the County receives from a variety of different sources in order to pay for the Services it provides.

Taxes are resources which include Sales Tax, Real Estate Tax, Personal Property Tax and a variety of smaller taxes.

Charges for Services are the combined resources of various County departments and agencies for fees paid to them by the public such as court cost and fees for recording deeds and transferring property.

Licenses & Permits are the revenues derived from the selling of vendor licenses, dog licenses, and other items.

Fines and Forfeitures are the resources derived from fines levied in the Courts and the monies received from a variety of forfeitures, including drug arrests and seized property.

Intergovernmental Revenues are the combined resources received from grants and from pass-through monies administered by the State of Ohio and Federal Government.

Special Assessments are amounts levied on real estate tax bills by the County and other local governments for providing improvements such as ditches, water and sewer service, curbs and lighting.

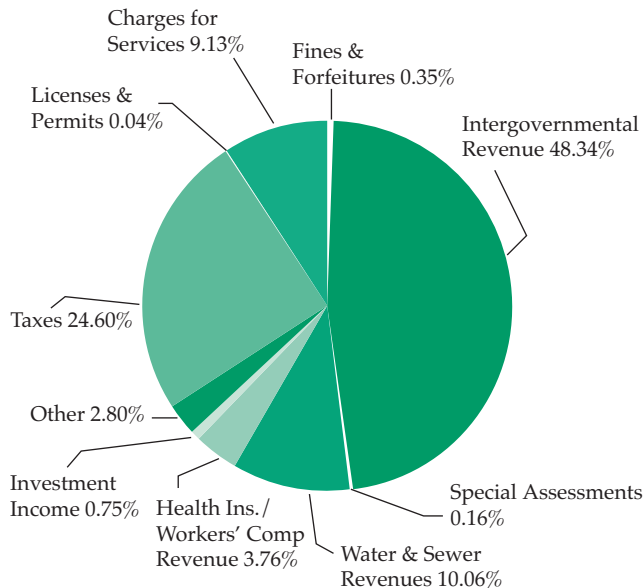
Water & Sewer Revenues are the combined resources charged to customers by the Environmental Services Department.

Health Insurance and Workers' Compensation Revenue are charges made to all County Offices and Agencies in order to provide these coverages to employees.

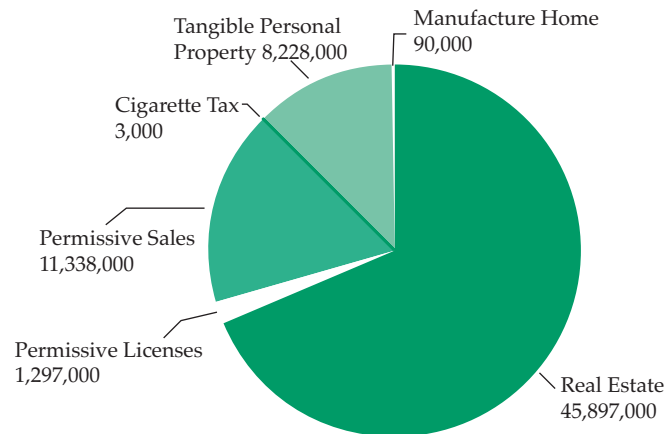
Investment Income is the earnings of the County Treasurer's investments.

Financial Activity Statement Resources Taken In • Services Provided

Resources Taken In



Taxes Further Broken Down



Services Provided – *Services Provided are the amounts spent in order to provide services to citizens.*

Legislative and Executive expenditures are the expenses incurred for administrative offices including the Commissioners, Auditor, Treasurer, Prosecutor, and Recorder.

Judicial expenditures reflect the costs of administering justice through the Stark County Courts, which include the Courts of Common Pleas, Juvenile, and Domestic Relations.

Public Safety expenditures reflect the costs of the Sheriff, Coroner, and Probation Departments.

Public Works expenditures reflect the costs incurred to maintain County roads and bridges

Economic Development expenditures reflect the work that is done to stimulate the economic development for Stark County.

Health expenditures are those services to maintain public health.

Human Services expenditures relate to the cost of the Human Services Department, the Board of Mental Retardation/Development Disabilities, and Children Services Board.

Conservation and Recreation expenditures are costs incurred to maintain the County parks and for conserving the beauty of County lands.

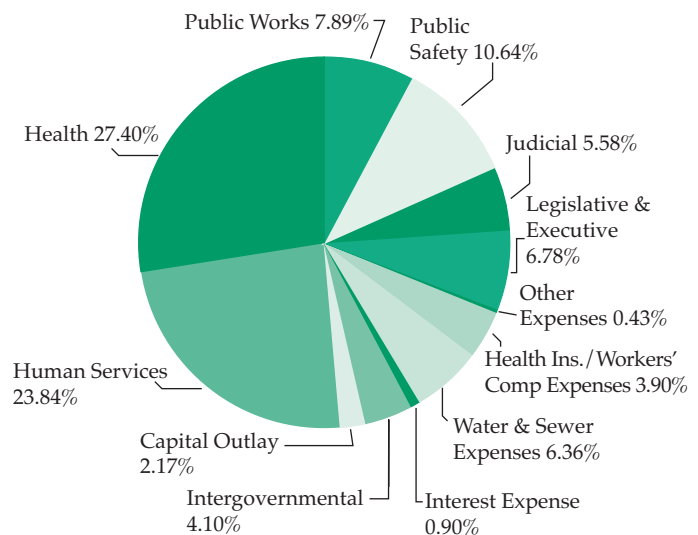
Intergovernmental expenditures are monies which are passed through the County government to other governments, including Transportation Improvement District.

Debt Services expenditures relate to the costs of paying interest and principal on County Debt.

Water & Sewer expenses are the combined costs to operate the County's Environmental Services unit.

Health Insurance and Workers' Compensation expenditures are the costs to provide insurance coverage for medical and work-related accidents to the employees of the County.

Services Provided



Financial Position Statement

Summary

The Financial Position Statement, known in accounting terms as the "Statement of Net Assets", is designed to provide a picture of the County's Financial Position as of the end of the year. Explanations of specific accounts are as follows by where they appear in the financial position statement:

Stark County 2004 Financial Position Statement

Financial Benefits	2003	2004
Cash	\$24,000,000	\$31,000,000
Investments	62,000,000	53,000,000
Receivables	117,000,000	132,000,000
Property Equipment	193,000,000	211,000,000
Other assets	0	2,000,000
Total Financial Benefits	\$396,000,000	\$429,000,000

Financial Burdens

Amount Owed to Employees and Vendors	\$14,000,000	\$12,000,000
Short-Term Debt	7,000,000	2,000,000
Long-Term Debt	20,000,000	22,000,000
Other Liabilities	81,000,000	82,000,000
Total Financial Burdens	\$122,000,000	\$118,000,000

Total Financial Benefits Over Financial Burdens	\$274,000,000	\$311,000,000
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Note 1: Most of the increase in assets was due to an increase in intergovernmental receivables and the completion and capitalization of several road, bridge, sanitary sewer and storm sewer projects.

Note 2: The decrease in liabilities was mainly attributable to a decrease in short-term notes and accounts payable.

Benefits over Burdens

This amount represents the difference between the financial assets of the County and the liabilities which it must pay. The amount provides the net worth of the County.

Readers of the Financial Position Statement should keep in mind that the statement is presented on a non-GAAP basis, and those desiring to review GAAP basis reports should refer to the County's Comprehensive Annual Financial Report for 2004..

Benefits

Cash is the amount of physical cash held by the County in checking accounts and on hand for purposes of paying expenses.

Investments are made up of the funds not needed to be held to pay expenses, so the Treasurer invests these funds in a variety of different types of accounts. This allows the County to earn interest on its surplus cash.

Receivables represent the amounts which are owed to the County and which are expected to be paid to the County over the course of the next twelve months.

Property & Equipment represent the furniture, equipment, vehicles, land, buildings, and water and sewer plants and mains which provide for an economic benefit of greater than one year.

Burdens

Amounts Owed to Employees and Vendors are those items which the County owes to individuals and companies who supply a service or good, and the expected payment is to be made within twelve months.

Short-Term Debt represents amounts borrowed by the County which must be repaid within one year.

Long-Term Debt represents the amount of bonds which the County has issued and still owes. Bonds do not have to be paid off in one year, rather the County makes monthly or yearly debt payments on these amounts.

Other Liabilities are those items other than Amounts Owed to Employees and Vendors, as well as Short-Term and Long-Term Debt. Examples would be Amounts Owed to other Governments and other funds.

Receivables and Summary of Debt Instruments & Analysis

➤ This summary provides an analysis of the different types of receivables carried by the County.

Receivables	Amount
Accrued Interest Receivable	\$700,348
Accounts Receivable	3,277,429
Intergovernmental Receivable	52,276,653
Property Taxes Receivable	57,661,854
Special Assessments Receivable	13,491,761
Loans Receivable	1,799,892
Total Receivables	\$129,207,937

Summary of Debt Instruments

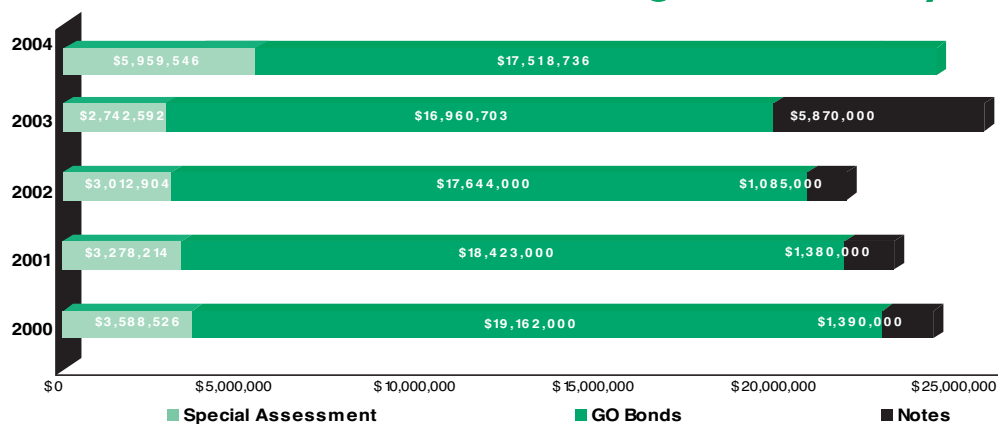
➤ **Special Assessments**
Special Assessment Bonds are issued to pay for improvements benefitting property owners, and the owners pay the County over twenty years.

	Balance at 01-01-04	New Money (ADDS)	Paid Off (DELETES)	Balance at 12-31-04
Special Assessment	\$2,742,592	\$3,488,264	\$271,310	\$5,959,546
General Obligation Bonds	\$16,960,703	\$1,586,736	\$1,028,703	\$17,518,736
Short-Term Notes	\$5,870,000	\$5,905,000	\$11,775,000	\$0
Total Debt	\$25,573,295	\$10,980,000	\$13,075,013	\$23,478,282

General Obligation
General Obligation Bonds are long-term debt instruments which are repaid from the County's general revenue sources.

Short-Term Notes
Bond Anticipation Notes are instruments due in one year or less are issued to raise money for projects of the County. These notes are usually turned into bonds after a short period of time.

Debt Outstanding Trend Analysis



Elected Officials

Stark County, Ohio
December 31, 2004

County Commissioners www.commissioners.co.stark.oh.us	Gayle A. Jackson Richard R. Regula Jane Vignos	(330) 451-7371
County Auditor www.auditor.co.stark.oh.us	Kim R. Perez	(330) 451-7357
County Coroner www.coroner.co.stark.oh.us	P.S. Murthy, M.D.	(330) 837-9299
County Engineer www.engineer.co.stark.oh.us	Michael J. Rehfus	(330) 477-6781
County Prosecutor www.prosecutor.co.stark.oh.us	John D. Ferrero	(330) 451-7897
County Recorder www.recorder.co.stark.oh.us	Rick Campbell	(330) 451-7443
County Sheriff www.sheriff.co.stark.oh.us	Timothy A. Swanson	(330) 430-3800
County Treasurer www.treasurer.co.stark.oh.us www.starktaxes.com	Gary D. Zeigler	(330) 451-7814
Clerk of Courts www.starkclerk.org	Phil G. Giavasis	(330) 451-7812
Common Pleas Judges www.cpgendiv.co.stark.oh.us	Charles E. Brown Jr. John G. Haas Sara E. Lioi Richard D. Reinbold, Jr. V. Lee Sinclair, Jr.	(330) 451-7931
Family Court Judges www.cpdmjuvdiv.co.stark.oh.us	Michael L. Howard Jim D. James David E. Stucki	(330) 451-7415
Probate Court Judge www.probate.co.stark.oh.us	Dixilene N. Park	(330) 451-7755
Ohio Court of Appeals Fifth Appellate District www.fifthdist.org	John F. Boggins Julie A. Edwards Shelia G. Farmer W. Scott Gwin William B. Hoffman John W. Wise	(330) 451-7765